APPENDIX C

CONSOLIDATED FINANCIAL STATEMENTS OF

CORIX INFRASTRUCTURE INC.

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

PRESENTED IN UNITED STATES DOLLARS

Independent auditor's report

To the Shareholders of
Corix Infrastructure Inc.

Opinion

We have audited the consolidated financial statements of **Corix Infrastructure Inc.** and its subsidiaries [the "Group"], which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated statement of operations, consolidated statement of deficit and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at December 31, 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants

Vancouver, Canada
April 22, 2022

CORIX INFRASTRUCTURE INC.

AS AT DECEMBER 31, 2021 AND DECEMBER 31, 2020
(expressed in millions of dollars)

CONSOLIDATED BALANCE SHEETS

As at	Note		December 31, 2021		December 31, 2020
					Restated - see note 5
Assets					
Current assets					
Cash and cash equivalents		$	**11.6**	$	30.2
Accounts receivable and unbilled revenues			**49.6**		48.1
Materials and supplies			**3.2**		3.7
Income taxes recoverable			**0.3**		0.3
Prepaid expenses and other			**9.8**		8.2
Total current assets			**74.5**		90.5
Interests in joint arrangements			**143.6**		142.2
Property, plant and equipment	8		**947.0**		952.9
Intangible assets	9		**62.4**		63.2
Goodwill	10		**234.6**		234.6
Regulatory assets	11		**61.0**		60.6
Other assets	12		**35.1**		33.9
Total assets		$	**1,558.2**	$	1,577.9
Liabilities and shareholders' equity					
Current liabilities					
Accounts payable and accrued liabilities	17	$	**57.5**	$	58.0
Accrued interest payable			**28.6**		28.5
Current portion of long-term debt	13		**9.8**		12.9
Other current liabilities	17		**1.5**		1.7
Total current liabilities			**97.4**		101.1
Long-term debt	13		**796.2**		822.5
Subordinated debentures	14		**255.0**		255.0
Future income tax liabilities	5, 15		**66.5**		61.4
Regulatory liabilities	16		**33.4**		34.1
Other liabilities	17		**25.7**		37.0
Total liabilities			**1,274.2**		1,311.1
Shareholders' equity					
Share capital	18		**435.3**		435.3
Foreign currency translation adjustment			**25.9**		25.7
Deficit			**(177.2)**		(194.2)
Total shareholders' equity			**284.0**		266.8
		$	**1,558.2**	$	1,577.9

Commitments and contingencies (Notes 22 and 23)

ON BEHALF OF THE BOARD:

_______________ Director _______________ Director

The accompanying notes are an integral part of these consolidated financial statements.

CORIX INFRASTRUCTURE INC.

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(expressed in millions of dollars)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Note		2021		2020
Revenues		$	**307.6**	$	284.7
Operations, maintenance and administration	19		**218.6**		204.4
Depreciation for property, plant and equipment	8		**40.0**		36.3
Amortization for intangible assets	9		**4.4**		3.9
Income from joint arrangements			**(10.7)**		(11.9)
			252.3		232.7
Operating income			**55.3**		52.0
Foreign exchange loss			**0.2**		-
Loss (gain) on sale of utility systems and other income			**(1.3)**		0.6
Financing and interest expense, net	13		**41.6**		70.8
			40.5		71.4
Income (loss) before income taxes and discontinued operations			**14.8**		(19.4)
Income taxes	15		**4.7**		(0.4)
Income (loss) from continuing operations			**10.1**		(19.0)
Income from discontinued operations, net of tax	6		**6.9**		0.4
Net income (loss)		$	**17.0**	$	(18.6)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF DEFICIT

		2021		2020
Deficit, beginning of the year	**$**	**(194.2)**	**$**	(175.6)
Net income (loss)		**17.0**		(18.6)
Deficit, end of the year	**$**	**(177.2)**	**$**	(194.2)

(expressed in millions of dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note		2021		2020
Operating activities					
Net income (loss)		$	**17.0**	$	(18.6)
Less: Income from discontinued operations, net of tax	6		**(6.9)**		(0.4)
Income (loss) from continuing operations			**10.1**		(19.0)
Non-cash items:					
Depreciation and amortization			**44.4**		40.2
Non-cash financing and interest expense, net			**(12.6)**		18.8
Future income tax expense (benefit)			**4.3**		(1.3)
Income from joint arrangements			**(10.7)**		(11.9)
Foreign exchange and other			**7.0**		6.0
Loss (gain) on sale of utility systems and other income			**(1.3)**		0.6
Change in non-cash operating items	20		**(16.6)**		(21.2)
Cash flows from operating activities - continuing operations			**24.6**		12.2
Cash flows from operating activities - discontinued operations			**0.6**		5.3
Cash flows from operating activities			**25.2**		17.5
Investing activities					
Acquisitions, net of cash acquired			**(0.7)**		(1.4)
Property, plant and equipment expenditures			**(114.6)**		(107.3)
Contributions in aid of construction			**12.3**		8.3
Distribution from joint arrangements			**9.7**		9.2
Proceeds from sale of utility systems and other assets, net of transaction costs			**1.9**		4.0
Other			**(0.5)**		(0.6)
Cash flows used in investing activities - continuing operations			**(91.9)**		(87.8)
Cash flows from investing activities - discontinued operations			**76.0**		6.6
Cash flows used in investing activities			**(15.9)**		(81.2)
Financing activities					
Proceeds from long-term debt, net of financing costs			**135.5**		180.6
Repayment of long-term debt			**(163.3)**		(96.8)
Payment of capital lease obligation			**-**		(0.1)
Cash flows from (used in) financing activities - continuing operations			**(27.8)**		83.7
Cash flows used in financing activities - discontinued operations			**-**		(0.7)
Cash flows from (used in) financing activities			**(27.8)**		83.0
Effect of foreign exchange on cash balances			**(0.1)**		-
Net increase (decrease) in cash and cash equivalents			**(18.6)**		19.3
Cash and cash equivalents, beginning of the year			**30.2**		10.9
Cash and cash equivalents, end of the year		$	**11.6**	$	30.2
Composed of:					
Cash and cash equivalents		$	**11.6**	$	30.2
Bank indebtedness			**-**		-
		$	**11.6**	$	30.2

Supplementary cash flow information (Note 21)

1. DESCRIPTION OF BUSINESS

Corix Infrastructure Inc. (the "Company") provides sustainable water, wastewater and energy infrastructure solutions for small to mid-sized communities in North America.

The Company operates in two primary business segments and has the following principal operating entities:

(a) The regulated utilities division operates regulated water and wastewater utility systems in 18 states in the United States of America. The operations are conducted through Corix Regulated Utilities (US) Inc. ("CRU") and Fairbanks Sewer and Water, Inc. ("FSW").

(b) The contract utilities division acquires, designs, builds, owns and operates non-regulated utility assets across North America. The operations are primarily conducted through the 50% joint arrangement interest in Doyon Utilities, LLC ("Doyon"), Corix Utilities Inc. ("CUI") and its subsidiaries, Cleveland Thermal, LLC ("CT LLC"), Corix Utility (Oklahoma) Inc. ("CUOK"), Corix Utility Systems (Georgia) Inc. ("CUSG") and Corix Utility Systems (Washington) Inc. ("CUSWA").

2. BASIS OF PRESENTATION

The Company's consolidated financial statements have been prepared in accordance with Part II of the Chartered Professional Accountants of Canada Handbook – Accounting, which constitutes generally accepted accounting principles ("GAAP") for non-publicly accountable enterprises in Canada.

These consolidated financial statements include the accounts of the Company and all of its subsidiaries which it has the continuing power to determine the strategic operating, investing and financing policies without the co-operation of others. All significant transactions and balances between these entities have been eliminated.

Certain comparative figures in these consolidated financial statements have been reclassified to conform to the current year's presentation.

3. FOREIGN CURRENCY TRANSLATION

The Company's consolidated financial statements are presented in the United States dollar ("USD"). The Company translates its Canadian dollar ("CAD") denominated subsidiaries' financial statements into US dollars using the current rate method of foreign currency translation. Under this method, assets and liabilities are translated at the rate of exchange in effect at the balance sheet date, revenue and expense items are translated at average rate of exchange for the period, and the exchange gains and losses arising from the translation of the financial statements are recorded in the foreign currency translation adjustment account in shareholders' equity.

Transactions denominated in a currency other than the entity's functional currency are translated into the respective functional currencies of each company at the exchange rate in effect on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate in effect at the date of the transaction. Revenues and expenses arising from foreign currency transactions are translated at the exchange rate in effect at the transaction date. The exchange gains or losses resulting from foreign currency transactions are included in net income. The functional currency of the Company and its Canadian subsidiaries is Canadian dollars. The functional currency of the United States subsidiaries is United States dollars. All subsidiaries are wholly owned.

4. SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of these consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Significant management judgment is required in determining the accounting for, among other things, doubtful accounts, depreciation and amortization, recoverability of regulatory assets, future cash flows associated with impairment testing for long-lived assets, derivative financial instruments, legal liabilities, income taxes and contingencies. Actual results could differ from those estimates. In the opinion of management, these consolidated financial statements have been prepared within reasonable limits of materiality.

CASH, CASH EQUIVALENTS AND BANK INDEBTEDNESS

Cash and cash equivalents include cash and liquid investments with a maturity of three months or less. When the Company has the ability and the intent to offset, cash is presented net of bank indebtedness.

ACCOUNTS RECEIVABLE AND UNBILLED REVENUES

Accounts receivable and unbilled revenues are net of allowance for doubtful accounts. The Company performs ongoing credit evaluations of customers and generally does not require collateral. Allowances for doubtful accounts are maintained for potential credit losses based on the aging of accounts receivable, historical bad debts experience and changes in customer payment patterns.

MATERIALS AND SUPPLIES

Materials and supplies are used for operations, repair, maintenance, and construction projects. All materials and supplies are stated at the lower of cost (determined on a weighted average cost) and net realizable value.

INVESTMENTS

The Company accounts for its investments in entities subject to significant influence under the equity method whereby the investments are initially recorded at cost and subsequently adjusted for the Company's share of net earnings or net loss of the investee entity. The carrying amount of these investments is reduced by any distributions received.

The Company accounts for its investments in entities not subject to significant influence under the cost method whereby the investments are recorded at cost and earnings are recognized to the extent received or receivable.

INTERESTS IN JOINT ARRANGEMENTS

The Company accounts for its interests in jointly controlled enterprises under the equity method of accounting similar to the investments in entities subject to significant influence described above.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACQUISITIONS

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Company records the identifiable assets acquired and the liabilities assumed at their acquisition-date fair value. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). Acquisition-related costs are expensed as incurred and included in operations, maintenance and administration. The results of operations are included in the consolidated financial statements from the date of acquisition.

The Company recognizes the fair value of any contingent consideration that is transferred to the seller in a business combination on the date at which control of the acquiree is obtained. This value is generally determined through a probability-weighted analysis of the expected cash flows.

Contingent consideration is classified as a liability or as an equity on the basis of the definitions of an equity instrument and a financial liability. It is remeasured when the contingency is resolved, and any gain or loss on settlement at an amount different from its carrying value will be recognized in net income in that period.

DISCONTINUED OPERATIONS

The results of the Company's business components that either have been disposed of (by sale, abandonment, or spinoff) or are classified as held for sale and meet the criteria of discontinued operations are classified separately from continuing operations. The results from discontinued operations, including any gains or losses, are recognized and reported in discontinued operations in the period in which they occur. Future losses associated with the operations of discontinued operations are not accrued. Assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

PROPERTY, PLANT AND EQUIPMENT AND ASSETS UNDER CAPITAL LEASES

Property, plant and equipment not subject to rate regulation are recorded at cost less accumulated depreciation and contributions in aid of construction. Cost includes all direct expenditures for system expansions, betterments and replacements. Contributions in aid of construction are amounts paid by certain customers towards the cost of property, plant and equipment required for the extension of services.

Property, plant and equipment subject to rate regulation are recorded in the same manner as noted above, except that cost includes an allocation of overhead costs and an allowance for funds used during construction ("AFUDC"). AFUDC represents a non-cash credit to income with a corresponding charge to utility plant that represents the cost of borrowed funds and, where appropriate, the cost of equity funds devoted to plant under construction. The credit to income is recorded within financing and interest expense, net in the consolidated statement of operations. The cost of regulated depreciable property retired is charged to accumulated depreciation, as is any gain or loss incurred on disposal.

Leases which transfer substantially all of the benefits and risks of ownership to the Company are accounted for as capital leases. At the inception of the lease, assets under capital leases are recorded at the lower of the net present value of the minimum lease payments and the fair value of the leased assets. They are subsequently amortized on a straight-line basis over the shorter of the estimated useful lives of the assets and the lease terms.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT AND ASSETS UNDER CAPITAL LEASES (Continued)

Depreciation of assets is recorded on a straight-line basis from the month the assets are put in use, as approved by the respective regulators for assets subject to rate regulation, over the estimated useful lives of the assets at the following rates:

Utility plant and distribution systems	25 to 40 years
Utility plant and distribution systems subject to rate regulation	5 to 105 years
Utility plant and distribution systems under capital lease	1 to 50 years
Equipment	3 to 15 years
Building and leasehold improvements	5 to 25 years

Costs of construction of the Company's utility plant and distribution systems are classified as construction in progress. During the construction period, the Company capitalizes all construction and costs directly attributable to the construction project. Utility plant subject to rate regulation would also capitalize an allocation of overhead costs and AFUDC. When the property or portion thereof is substantially complete and ready for use, the costs are amortized over the asset's estimated useful life.

INTANGIBLE ASSETS

Intangible assets with a finite life consist of a franchise concession, customer relationships, connection credits, licences and computer software. Certain development costs associated with internally generated assets are capitalized as computer software. Intangible assets are amortized over their estimated useful lives ranging from two to forty-two years and are tested for impairment consistent with the method described for long lived assets below.

The water and wastewater operating licence has an indefinite life and is tested for impairment when events or circumstances indicate an impairment may exist, by comparing its carrying value to its fair value.

GOODWILL

Goodwill represents the excess of the purchase price over the estimated fair value of the tangible and intangible net assets acquired and is assigned as of the date of the business combination to reporting units that are expected to benefit from the business combination. Goodwill is tested for impairment whenever events or circumstances indicate that its carrying value may not be fully recoverable. In the impairment test, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed.

IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by that asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Long lived assets impairment losses are not reversed if the fair value subsequently changes.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

RATE REGULATION

Some of the Company's operations are subject to rate regulation by independent regulatory agencies. These regulatory authorities exercise statutory authority over such matters as rates of return, construction and operation of facilities, accounting practices, rates and tolls, and contractual agreements with customers.

FSW and the Company's 50% joint arrangement interest in Doyon are regulated by the Regulatory Commission of Alaska ("RCA"). FSW and Doyon have a cost-of-service based agreement with allowed rates of return set by the RCA through a review and approval process.

Certain of CRU's and CT LLC's subsidiaries are subject to regulation by the public utility commissions of the states in which they operate. The extent of a commission's jurisdiction varies from state to state and usually includes the regulation of rates, accounting policies, financing, rules of service, sales and purchase of property, mergers and acquisitions, and the determination of services areas.

FSW, Doyon and CRU have regulatory assets and liabilities which arise as a result of the rate-setting process. Regulatory assets represent future revenues and/or receivables associated with certain costs incurred that will be, or are expected to be, recovered from customers in future periods through the rate-setting process. Regulatory liabilities represent future reductions or limitations of increases in revenues associated with amounts that will be, or are expected to be, refunded to customers through the rate-setting process. In the absence of rate regulation, GAAP would not permit the recognition of regulatory assets and liabilities and the earnings impact would be recorded in the period the expenses are incurred or revenues are earned.

The Company also has other operating units that are subject to rate regulation. The impact of rate regulation on the Company's operations for the years ended December 31, 2021 and 2020 are described in these Significant Accounting Policies, Note 8 "Property, Plant and Equipment", Note 11 "Regulatory Assets" and Note 16 "Regulatory Liabilities".

REVENUE RECOGNITION

The Company recognizes revenues when services have been performed.

Water, wastewater and energy distribution revenues are recognized on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the period or based on the specific terms of the contract.

Construction service contract revenues are recognized using the percentage of completion method; with the percentage complete being determined by comparing the percentage of costs incurred to date with the estimated total costs of the contract. Losses on these contracts, if any, are recognized in the period when such losses become probable and can be reasonably estimated.

Franchise concession arrangements whereby the Company constructs, operates and maintains infrastructure for public services under an operating agreement are accounted for as multiple-element arrangements. Revenues are allocated to the various elements of the arrangements based upon the relative fair value of each component.

Capital cost recovery fees under franchise concession arrangements are recognized as revenues when the Company has earned the right to charge users of the public service, the amounts to be recognized are fixed or determinable, and collectability is reasonably assured.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

The future income taxes method is used to account for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values of assets and liabilities and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that, in the opinion of management, it is more likely than not that future income tax assets will not be realized.

HEDGING AND DERIVATIVE INSTRUMENTS

The Company entered into interest rate swaps and foreign currency forward contracts to manage its interest rate risks and currency risks, respectively, which did not qualify for hedge accounting. These freestanding derivative instruments are recorded at fair value on each reporting date in other assets or other liabilities within the Consolidated Balance Sheets with the change in the fair value recognized in the Consolidated Statements of Operations under financing and interest expense in the period in which they occur. The Company does not hold or use any derivative instruments for trading purposes.

5. CHANGES IN ACCOUNTING POLICIES

Future income taxes

Effective January 1, 2021, the Company adopted the amendments to Section 3465 of Part II of the CPA Canada Handbook – Accounting, Income Taxes.

The amended standard requires disclosure of the amount of future income tax assets and future income tax liabilities in respect of each type of temporary difference for each period presented. These amendments also include requiring that future income tax assets and future income tax liabilities be classified as non-current and removing the corresponding requirement to not offset any current portion of future income tax balances with any future income tax balances classified as non-current.

The Company adopted the amendments to Section 3465 retrospectively. As a result, all current future income tax assets and future income tax liabilities as at December 31, 2020 are reclassified as non-current. As such, the Company reclassified $13.0 of future income tax assets from current to non-current as at December 31, 2020. As at December 31, 2021 and 2020, the future income tax assets have been offset against the future income tax liabilities in the Consolidated Balance Sheets.

(expressed in millions of dollars)

6. DISCONTINUED OPERATIONS

In December 2020, the Company received a formal notice of termination from the University of Oklahoma exercising its right to terminate the Master Concession Agreement signed with CUOK effective March 20, 2021.The proceeds of $76.0 as a result of the termination were received on March 31, 2021 and have been used to pay off the Company's Revolving Loans during 2021.

The final purchase price and the gain from the sale of CUOK assets are as follows:

Proceeds	$	76.0
Carrying value of net assets disposed		(69.5)
Gain on the sale of assets		6.5
Income tax expense		(1.2)
Gain on the sale of assets, net of tax	$	5.3

In June 2020, the Company's utility services division ("Tribus") is presented as discontinued operations following the Company's decision to exit this line of business and completion of the sale transaction. The proceeds from the sale of the utility service division were mainly used to pay off the Company's Revolving Loans during 2020.

The final purchase price and the loss from the sale of Tribus are as follows:

Proceeds	$	6.9
Carrying value of net assets disposed		(6.9)
Transaction costs		(0.1)
Loss on the sale of utility services		(0.1)
Income tax expense		-
Loss on the sale of utility services, net of tax	$	(0.1)

The income and loss from discontinued operations are as follows:

INCOME (LOSS) FROM DISCONTINUED OPERATIONS - 2021

		CUOK		Total
Revenue	$	4.0	$	4.0
Operations, maintenance and administration		(1.0)		(1.0)
Depreciation, amortization, interest and other		(1.3)		(1.3)
Income from discontued operations		1.7		1.7
Gain on dispoal of assets		6.5		6.5
Income tax benefits (expense)		(1.3)		(1.3)
Income from discontinued operations, net of tax	$	6.9	$	6.9

INCOME (LOSS) FROM DISCONTINUED OPERATIONS - 2020

		Tribus	CUOK	Other	Total
Revenue	$	12.1	18.2	-	30.3
Operations, maintenance and administration		(14.2)	(6.8)	(0.1)	(21.1)
Depreciation, amortization and interest		(1.5)	(5.9)	(0.2)	(7.6)
Income (loss) from discontued operations		(3.6)	5.5	(0.3)	1.6
Income tax benefits (expense)		0.1	(1.3)	-	(1.2)
Income (loss) from discontinued operations, net of tax	$	(3.5)	4.2	(0.3)	0.4

(expressed in millions of dollars)

7. ACQUISITIONS

ACQUISITIONS IN 2021

The Company completed the acquisition of four utility system and several land parcels for a combined purchase price of $0.7, which was paid in cash and approximated the respective fair values of the assets acquired. The purchase price was allocated to property, plant and equipment and land.

ACQUISITIONS IN 2020

The Company completed the acquisition of one utility system and several land parcels for a combined purchase price of $1.4, which was paid in cash and approximated the respective fair values of the assets acquired. The purchase price was allocated to property, plant and equipment and land.

8. PROPERTY, PLANT and EQUIPMENT

December 31, 2021	Cost	Accumulated amortization	Net book value
Regulated assets			
Utility plant and distribution systems, net of contributions in aid of construction	$ 1,089.6	$ 307.3	$ 782.3
Construction in progress	68.2	-	68.2
	1,157.8	307.3	850.5
Non-regulated assets			
Utility plant and distribution systems	106.7	26.2	80.5
Construction in progress	12.6	-	12.6
Equipment	4.2	3.0	1.2
Building and leasehold improvements	3.9	1.8	2.1
Land	0.1	-	0.1
	127.5	31.0	96.5
	$ 1,285.3	$ 338.3	$ 947.0

(expressed in millions of dollars)

8. PROPERTY, PLANT and EQUIPMENT (Continued)

December 31, 2020		Cost		Accumulated amortization		Net book value
Regulated assets						
Utility plant and distribution systems, net of contributions in aid of construction	$	1,022.3	$	280.4	$	741.9
Construction in progress		45.3		-		45.3
		1,067.6		280.4		787.2
Non-regulated assets						
Utility plant and distribution systems		106.2		22.0		84.2
Utility plant and distribution systems under capital lease		117.1		47.8		69.3
Construction in progress		8.4		-		8.4
Equipment		4.7		3.5		1.2
Building and leasehold improvements		4.0		1.5		2.5
Land		0.1		-		0.1
		240.5		74.8		165.7
	$	1,308.1	$	355.2	$	952.9

For the year ended December 31, 2021, the Company recorded depreciation expense of $40.0 (2020 - $36.3) related to the property, plant and equipment and amortization expense of $0.1 (2020 - $4.7) related to the utility plant and distribution systems under capital lease, which is included as part of the discontinued operations.

During the year, an allowance for funds used during construction of $2.2 (2020 - $1.8) was included in the cost of utility plant and distribution systems subject to rate regulation.

(expressed in millions of dollars)

9. INTANGIBLE ASSETS

December 31, 2021	Useful life		Cost		Accumulated amortization		Net book value
Customer relationships	**20 years**	**$**	**32.3**	**$**	**10.3**	**$**	**22.0**
Franchise concession	**42 years**		**36.3**		**12.1**		**24.2**
Water and wastewater operating licence	**Indefinite**		**11.0**		**-**		**11.0**
Other intangible assets	**2 to 10 years**		**12.2**		**7.0**		**5.2**
		$	**91.8**	**$**	**29.4**	**$**	**62.4**

December 31, 2020	Useful life		Cost		Accumulated amortization		Net book value
Customer relationships	20 years	$	32.3	$	8.6	$	23.7
Franchise concession	42 years		33.6		10.9		22.7
Water and wastewater operating licence	Indefinite		11.0		-		11.0
Other intangible assets	2 to 10 years		12.7		6.9		5.8
		$	89.6	$	26.4	$	63.2

For the year ended December 31, 2021, the Company recorded amortization expense of $4.4 (2020 - $3.9) related to intangible assets.

10. GOODWILL

		December 31, 2021		December 31, 2020
Balance, beginning of the year	**$**	**234.6**	$	235.6
Goodwill allocated to utility system divestiture		**-**		(1.0)
	$	**234.6**	$	234.6

During the current and prior year, the Company identified indicators of impairment for its Cleveland Thermal reporting unit to which goodwill of $47.7 is assigned. The discounted cash flow analysis prepared to test the reporting unit for impairment showed a fair value in excess of the reporting unit carrying value, and accordingly, there was no impairment. The discounted cash flow analysis is most sensitive to the assumption that the demand for services (being steam and chilled water for heating and cooling buildings) in the downtown area of Cleveland, Ohio will return to the levels seen prior to the outbreak of the novel coronavirus (“COVID-19”) in March 2020 with no significant detrimental impact in the long-term.

(expressed in millions of dollars)

11. REGULATORY ASSETS

		December 31, 2021		December 31, 2020
Deferred rate case expenses	$	**11.7**	$	10.5
Deferred income taxes recoverable through rates		**3.6**		3.6
Fair value adjustment to acquired debt		**20.1**		22.6
Capitalized maintenance, testing and preliminary survey expenses		**11.9**		11.0
Other regulatory assets		**13.7**		12.9
	$	**61.0**	$	60.6

In the absence of regulation, the Company would have decreased its net earnings by $2.7 (2020 - $7.2) as GAAP would require the inclusion of these expenditures in the period in which they were incurred. Regulatory assets are being amortized over various periods as prescribed by regulators. Deferred rate case expenses and capitalized maintenance, testing and preliminary survey expenses are expected to be recovered in various periods over three to twelve years. The fair value adjustment to acquired debt is expected to be recovered in fifteen years and is not included in rate base. Other regulatory assets include $7.7 (2020 - $7.7) of decommissioned assets which remain in rate base that are expected to be recovered over various future periods.

REGULATORY PROCESS

Some of the Company's subsidiaries and joint interests operate as regulated utilities and as such are subject to the decisions and timelines driven by the public utility commissions of the states in which they operate. The public utility commissions' regulatory review creates a situation termed Regulatory Lag, which is the period of time between the end of a test year for which rates are filed and when rates become effective. Utility plant is subject to a used and useful and prudency requirement. The Company has the burden of proof during rate filings. Management believes that all expenses related to operating the utility are prudently incurred and all utility plant in service are used and useful. Regulatory Lag as well as other decisions by the public utility commissions can impact financial results.

12. OTHER ASSETS

		December 31, 2021		December 31, 2020
Investment in affiliates	$	**3.9**	$	3.9
Restricted cash		**6.2**		1.9
Long-term receivable		**8.0**		10.4
Other long-term assets		**17.0**		17.7
	$	**35.1**	$	33.9

Investment in affiliates consists of the Company's 7.94% interest in Entegrus Inc. ("Entegrus") which is carried at cost. Long-term receivable and other long-term assets are primarily from CUI's concession agreement of $7.6 (2020 - $8.7) and the capitalized implementation cost of Oracle Cloud platform of $11.6 (2020 – $12.8), respectively.

(expressed in millions of dollars)

13. LONG-TERM DEBT

	Underlying Currency	Interest Rate	Maturity		**December 31, 2021**		December 31, 2020
(a) Company Senior Loans							
Company US Term Loans	USD	Fixed	Jul 2023		**70.0**		70.0
Company Revolving Loans	USD	Variable	Jul 2023		**259.0**		303.0
Company Revolving Loans	CAD	Variable	Jul 2023		**67.0**		58.9
(b) CRU Loans							
Notes Payable	USD	Fixed	May 2030 to Jul 2036		**355.1**		366.6
Revolving Loans	USD	Variable	Oct 2023		**18.0**		9.0
(c) FSW Loans							
Senior Loans	USD	Fixed	Sep 2046		**20.0**		20.0
Revolving Loans	USD	Variable	Sep 2026		**12.0**		3.0
Notes Payable	USD	1.50%	Dec 2022 to Dec 2040		**7.8**		8.5
Total long-term debt				**$**	**808.9**	$	839.0
Less: unamortized financing fees					**(2.9)**		(3.6)
Less: current portion					**(9.8)**		(12.9)
				$	**796.2**	$	822.5

The Company's future principal payments are as follows:

2022	$	9.8
2023		423.9
2024		9.9
2025		9.9
2026		21.9
Thereafter		333.5
	$	808.9

13. LONG-TERM DEBT (Continued)

(a) COMPANY SENIOR LOANS

The Company Senior Loans consist of the (i) Company US Term Loans and (ii) Company Revolving Loans.

The Company Senior Loans were previously refinanced mainly to increase the credit facility of the Company Revolving Loans and to extend the maturity date on the variable rate loans from April 3, 2019 to July 31, 2023. The Company's applicable credit spread on its variable rate loans noted below depends on its leverage ratio and range from 1.20% to 2.00%.

The Company has two US Term Loans of $35.0 bearing interest at 4.82% and $35.0 bearing interest at 4.75%, maturing in July 2023.

The Company Revolving Loans consist of CAD$100.0 and USD$355.0 facility which bears interest on the outstanding balance at the banker's acceptance rate or LIBOR plus a credit spread of 1.20% to 2.75% and bears interest on the standby available facility of 0.24% to 0.55%. As at December 31, 2021, the outstanding balance is CAD$85.0 and USD$259.0. The Company Revolving Loans were also used for the issuance of $2.6 letters of credit.

The Company has entered into interest rate swaps to fix the rates at 2.71%, 2.85% and 1.38% for CAD$60.0, USD$60.0 and USD$110.0, respectively, of the Company Revolving Loans. The fair value of the interest rate swap is recorded in other liabilities.

The Company Senior Loans are secured by the assets of the Company and its subsidiaries (with the exception of CRU, FSW and their subsidiaries) and a pledge of the shares of CRU, FSW and their subsidiaries. The Company Senior Loans require the Company to be in compliance with certain financial covenants, contain limitations on the Company's ability to make investments and incur additional senior debt. As at December 31, 2021, the Company was in compliance with all financial covenants.

13. LONG-TERM DEBT (Continued)

(b) CRU LOANS

The CRU Loans consist of the (i) CRU Notes Payable and (ii) CRU Revolving Loans.

In July 2006, the Company entered into a Master Note Purchase Agreement for the issuance, in series, of collateral trust notes in an aggregate amount of up to $400.0. The CRU Notes Payable's initial issuance was $180.0 bearing interest at 6.58% and is due on July 21, 2036. The current face value is $135.0 (2020 – $144.0). Interest is payable semi-annually and annual principal payments of $9.0 are due from 2017 to 2036. The CRU Notes Payable was recorded at its fair value on acquisition of $224.5. The premium is accreted to financing and interest expense, net over the life of the note using the effective interest rate method.

In October 2018, under the terms of this agreement, CRU entered into a second issuance of $100.0 bearing interest at 4.37% payable semi-annually and the entire principal amount is due on October 4, 2033.

In May 2020, the Company completed the issuance of two unsecured private placement notes totaling $100.0. The first issuance was $50.0, 10-year notes bearing interest at 3.15% payable semi-annually and the entire principal amount is due on October 26, 2030. The second issuance was $50.0, 15-year notes bearing at 3.35% payable semi-annually and the entire principal amount is due on May 26, 2035. The Company capitalized $0.5 of the debt issuance costs incurred.

The CRU Revolving Loans consist of USD$80.0 facility which bears interest at LIBOR plus a credit spread of 1.20% to 2.00% on the outstanding balance of $18.0 (2020 – $9.0). The facility was amended in October 2018 with an extended maturity date of October 23, 2023. No other material terms of the facility were amended. As at December 31, 2021, the CRU Revolving Loan was also used for the issuance of $5.7 letters of credit.

The common stock of CRU's subsidiaries have been pledged as collateral for the CRU Notes Payable. As at December 31, 2021, CRU was in compliance with all of the financial covenants of its loans.

(c) FSW LOANS

The FSW Senior Loans consist of a $20.0 loan bearing interest at 3.99% due on September 30, 2046.

The FSW Revolving Loans consist of USD$20.0 facility which bears interest at LIBOR plus a credit spread of 0.50% to 2.50% on the outstanding balance of $12.0 (2020 – $3.0). The facility was amended in September 2021 which increased the capacity from $10.0 to $20.0 with an extended maturity date of September 26, 2026. Both the FSW Senior Loans and Revolving Loans are secured by all of the assets of FSW and its subsidiaries, with certain exclusions, and have financial and operating covenants.

The FSW Notes Payable bear interest at 1.50%, are repayable in yearly installments of USD$0.9 principal and interest, are unsecured and due on various dates from 2022 to 2040.

As at December 31, 2021, FSW was in compliance with all of the financial covenants of its loans.

(expressed in millions of dollars)

13. LONG-TERM DEBT (Continued)

FINANCING AND INTEREST EXPENSE, NET

Financing and interest expense, net consists of the following:

		2021		2020
Interest on long-term debt	**$**	**32.5**	$	30.3
Interest on subordinated debentures		**21.7**		21.7
Amortization of deferred financing fees		**0.9**		0.8
Loss (gain) from change in fair value of interest rate swaps		**(13.5)**		18.0
	$	**41.6**	$	70.8

14. SUBORDINATED DEBENTURES

		December 31, 2021		December 31, 2020
US Subordinated Debentures		**255.0**		255.0
	$	**255.0**	$	255.0

US SUBORDINATED DEBENTURES

The US Subordinated Debentures are issued to the shareholders of the Company, denominated in US dollars, subordinated, unsecured, bear interest at 8.51% payable annually and mature on August 18, 2029. The Company may elect to pay any outstanding interest through the issuance of additional US Subordinated Debentures if the Company has insufficient available cash flow to pay all or any portion of the interest payable on the due date. The Company also has the right to repurchase all or any portion of the US Subordinated Debentures at any time before the maturity date at fair market value, subject to certain conditions. The US Subordinated Debentures require the Company to be in compliance with certain financial covenants and contain limitations on the Company's ability to incur additional subordinated debentures.

For the year ended December 31, 2021, the Company recorded $21.7 (2020 – $21.7) of interest expense. As at December 31, 2021, the Company was in compliance with all financial covenants.

(expressed in millions of dollars)

15. INCOME TAXES

		2021		2020
Current income tax expense	**$**	**0.4**	$	0.9
Future income tax expense		**4.3**		(1.3)
	$	**4.7**	$	(0.4)

Future income taxes comprised the following assets and liabilities and presented in the financial statements as follows:

		December 31, 2021		December 31, 2020
Future Income Tax Assets				
Loss carryforward	**$**	**61.5**	$	61.5
Interest		**9.2**		8.2
Contributions in aid of construction		**3.0**		3.0
Regulatory Liabilities		**6.0**		6.0
Other		**13.4**		13.8
Valuation Allowances		**(34.8)**		(32.7)
	$	**58.3**	$	59.8
Future Income Tax Liabilities				
Fixed asset related differences	**$**	**74.3**	$	72.2
Intangibles		**8.1**		7.8
Interests in joint arrangements		**29.1**		28.3
Deferred charges		**9.1**		8.6
Other		**4.2**		4.3
		124.8		121.2
Net future income tax liabilities	**$**	**66.5**	$	61.4

The Company has Canadian non-capital losses carried forwards of $98.0 which may be used to offset future taxable income and expire as follows:

2027 to 2030	$	4.5
2030 to 2035		49.8
2035 to 2041		43.7
	$	98.0

(expressed in millions of dollars)

15. INCOME TAXES (Continued)

The Company also has US net-operating losses carried forwards of $154.9 which may be used to offset future federal taxable income and expire as follows:

2026 to 2030	$	50.5
2030 to 2035		65.5
2035 to 2037		35.9
Indefinite		3.0
	$	154.9

The Company has unrecognized deductible temporary differences of approximately $18.7 relating to the undepreciated capital cost for tax purposes in excess of net book value of capital assets, financial statement reserves, eligible capital expenditures, $88.7 Canadian non-capital tax losses and $6.8 US net-operating losses carried forward. The related income tax benefits with respect to these deductible temporary differences and non-capital losses have not been recorded in the accounts as their realization is not more likely than not.

16. REGULATORY LIABILITIES

		December 31, 2021		December 31, 2020
Income taxes recoverable through rates	**$**	**31.6**	$	32.8
Other		**1.8**		1.3
	$	**33.4**	$	34.1

Significant excess deferred income taxes are created as a result of reduced U.S. federal and state corporate income tax rate and the Company believes it is probable that the majority of these amounts will be refunded to customers through future rates, and as such the amounts are recorded to a regulatory liability. As of December 31, 2020, CRU and FSW recorded $24.3 (2020 – $24.2) and $7.3 (2020 – $8.6), respectively.

The amortization related to regulatory liabilities is recognized as a component of revenue. In the absence of regulation, the Company would have decreased its net earnings by $2.4 (2020 - $1.5) as GAAP would require the inclusion of this variance in operating results in the period in which they were incurred.

(expressed in millions of dollars)

17. OTHER LIABILITIES

OTHER LIABILITIES - CURRENT PORTION

		December 31, 2021		December 31, 2020
Deferred revenue	**$**	**1.2**	$	1.4
Current portion of capital lease obligation		**0.3**		0.3
	$	**1.5**	$	1.7

OTHER LIABILITIES - NON-CURRENT PORTION

		December 31, 2021		December 31, 2020
Interest rate swaps	**$**	**9.3**	$	22.8
Trust liabilities		**4.1**		1.6
Other long-term liabilities		**12.3**		12.6
	$	**25.7**	$	37.0

Other long-term liabilities primarily consist of capital lease obligations of $3.2 (2020 - $3.4). Included in accounts payable and accrued liabilities in the current liabilities of the Consolidated Balance Sheets are $3.2 (2020 - $2.9) of government remittances payable.

18. SHARE CAPITAL

AUTHORIZED SHARE CAPITAL

The number of shares is expressed in thousands below. The authorized share capital of the Company is as follows:

- Unlimited Class A Common Voting shares without par value
- Unlimited Class B Common Non-Voting shares without par value
- Unlimited Class C Common Non-Voting common shares with a par value of CAD$0.001 per share
- Unlimited Class A preferred shares without par value:
    - Unlimited non-voting Series 1 preferred shares, with dividend rate of 5.70% payable in Class B common shares, redeemable by the Company upon specified triggering events and convertible to Class A common shares at a conversion rate of 1.00 to 1.08 per share
    - Unlimited non-voting Series 2 preferred shares, with dividend rate of 6.09% payable in Class B common shares, redeemable by the Company upon specified triggering events and convertible to Class A common shares at a conversion rate of 1.00 to 0.54 per share
    - Unlimited non-voting Series 3 preferred shares, with dividend rate of 5.58% payable in Class B common shares, redeemable by the Company upon specified triggering events and convertible to Class A common shares at a conversion rate of 1.00 to 0.34 per share
    - 150,000 non-voting Series 4 preferred shares, with dividend rate of 5.28% payable in Class B common shares, redeemable by the Company upon specified triggering events and convertible to Class A common shares at a conversion rate of 1.00 to 0.34 per share
    - Unlimited non-voting Series 5 preferred shares, with dividend rate of 5.28% payable in Class B common shares, redeemable by the Company upon specified triggering events and convertible to Class A common shares at a conversion rate of 1.00 to 0.26 per share
    - Unlimited non-voting Series 6 preferred shares
    - Unlimited non-voting Series 7 preferred shares
    - Unlimited non-voting Series 8 preferred shares

ISSUED AND OUTSTANDING SHARE CAPITAL

As at December 31, 2021 and 2020, the Company had issued and outstanding shares of 10 Class A common voting shares at one Canadian dollar per share, and $435.3 share capital comprised of the following Class B common non-voting shares.

	Number of Class B Common Shares	Amount of Class B Common Shares
Balance, December 31, 2019	**158,437**	**$ 435.3**
Balance, December 31, 2020	**158,437**	**$ 435.3**
Balance, December 31, 2021	**158,437**	**$ 435.3**

As at December 31, 2021 and 2020, there are no issued and outstanding preferred shares.

(expressed in millions of dollars)

19. OPERATIONS, MAINTENANCE AND ADMINISTATION COSTS

		2021		2020
Utility and service operations	**$**	**74.9**	$	70.7
Salaries and benefits		**84.2**		75.8
Consulting and outside services		**15.5**		16.7
Insurance		**6.6**		5.8
Office and rent		**5.9**		7.1
Fleet and travel		**3.8**		3.9
Regulatory expenses		**3.1**		2.7
Miscellaneous expenses		**7.5**		4.8
Taxes other than income taxes		**17.1**		16.9
	$	**218.6**	$	204.4

20. CHANGE IN NON-CASH OPERATING ITEMS

		2021		2020
Accounts receivable and unbilled revenues	**$**	**(5.9)**	$	(10.5)
Materials and supplies		**0.4**		0.3
Income taxes recoverable		**-**		1.0
Prepaid expenses and other		**(1.8)**		(1.6)
Regulatory assets and liabilities, net		**(3.0)**		(3.6)
Other assets and liabilities, net		**(2.4)**		(11.7)
Accounts payable and accrued liabilities		**(3.9)**		4.9
	$	**(16.6)**	$	(21.2)

(expressed in millions of dollars)

21. SUPPLEMENTARY CASH FLOW INFORMATION

		2021		2020
Other information:				
Interest paid	**$**	**54.4**	$	54.9
Dividends received		**0.4**		0.4
Income taxes paid		**2.7**		1.2
Non-cash investing and financing activities:				
Property, plant and equipment contributions		**1.8**		6.4

22. COMMITMENTS

Future minimum contractual payments, primarily for office leases, vehicles and equipment as at December 31, 2021 are as follows:

2022	$	7.1
2023		5.6
2024		4.9
2025		5.1
2026		2.2
Thereafter		8.7
	$	33.6

FSW leases land rights, right of ways, and facilities for various terms under long-term, non-cancellable operating lease agreements through October 2047. The future minimum lease payments under these leases for the next five years and thereafter are included in the above table. In the normal course of business, FSW expects these leases will be renewed or replaced with similar terms.

CT has a purchase commitment of approximately $10.9 for the purchase of gas at set amounts until December 2025.

In addition to the commitments described above, Doyon is committed to capital projects in the military posts based on its proposed capital project schedule and government requested upgrades and expansions. The Company's portion of Doyon's estimated capital projects in the next five years is approximately $69.5, which will be financed through additional debt, equity and contributions in aid of construction.

23. CONTINGENCIES

Contingencies

In the normal course of business, the Company may enter into agreements with real estate developers related to the provision of water and/or wastewater service. These agreements may require payments to these developers that are contingent upon the number of customers added to the systems of the various operating companies. Connection charges are collected from customers as they sign up for service. Amounts due to developers are accrued as new customers are added. Amounts paid to developers were $0.2 and $0.1 for the years ended December 31, 2021 and 2020, respectively.

Litigation

A number of claims and lawsuits seeking damages and other relief are pending against the Company. Management is of the opinion, based upon information presently available, that it is unlikely that any liability, to the extent not provided for through insurance or otherwise, would be material in relation to the Company's consolidated financial statements.

24. EMPLOYEE FUTURE BENEFITS

The Company and some of its subsidiaries maintain defined contribution and retirement savings plans. Employees contribute and the Company matches contributions to the plan which range from discretionally set amounts by the board of directors to a percentage of eligible employees' base salary. The Company's portion of the contributions made for the year ended December 31, 2021 was $5.7 (2020 - $4.8).

25. RELATED PARTY TRANSACTIONS

In addition to related party transactions and balances noted elsewhere in these consolidated financial statements, the Company recorded approximately $0.01 (2020 – 0.01) of revenues from its joint arrangements, primarily related to contract services provided to Doyon.

As at December 31, 2021 and 2020, there's no accounts receivable from joint arrangements. Receivables and payables with related parties are generally due within 30 days or less from the date of the transaction. If any, the amounts outstanding are unsecured, bear no interest and will be settled in cash.

The above related party transactions were recorded at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

26. FINANCIAL INSTRUMENTS

FAIR VALUE

The fair value of cash, cash equivalents, accounts receivable, unbilled revenues, bank indebtedness, and accounts payable approximates their carrying value due to the relatively short period to maturity of the instruments.

The fair value of the investment in affiliates is not readily determinable. The investment is primarily in Entegrus, a private rate-regulated entity operating under a licence issued by the Ontario Energy Board.

The fair value of long-term receivables, long-term debt, subordinated debentures, and capital lease obligation with fixed interest rates is not readily available. The interest rates, terms of repayment and maturity dates of these financial instruments are as disclosed in these consolidated financial statements.

The carrying value of the variable interest long-term debt is considered to approximate its fair value based on its variable interest rates.

The interest rate swaps are recorded at fair value with the change in the fair value recognized in the Consolidated Statement of Operations. The fair value of the interest rate swaps is determined using the best available information regarding future interest rates which are based on quotes provided by counterparty. The interest rate swap contracts will mature from August 2028 through August 2029. The fair value of interest rate swaps included in other liabilities totaled $9.3 as at December 31, 2021 (2020 - $22.8)

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates cannot be determined with precision as they are subjective in nature and involve uncertainties and matters of judgment.

CREDIT RISK

The Company is exposed to credit risk with respect to its accounts receivable, unbilled revenues and long-term receivables. The Company's exposure to credit risk with respect to these items is limited to the carrying value on the Consolidated Balance Sheets. The Company grants credit to its customers in the normal course of business. Credit risk is minimized by the Company's large customer base, customer deposits, program of regular credit evaluations and limits of credit.

CURRENCY RISK

The Company is exposed to foreign currency fluctuations and manages this risk by occasionally entering into foreign currency contracts, primarily US dollars, to hedge future purchases of foreign currency denominated goods and services. The gain or loss in these contracts is recorded in foreign exchange loss (gain) in the Consolidated Statements of Operations. The Company does not hold these contracts for trading. At December 31, 2021 and 2020, the Company does not hold any foreign currency contracts.

INTEREST RATE RISK

The Company is exposed to interest rate risk on a portion of its long-term debt which bears interest at floating rates and manages this risk by entering into interest rate swaps to fix the floating rates. The mark-to-market adjustment in these swap contracts is recorded as part of interest expense in the Consolidated Statements of Operations. Long term-debt with interest rate swaps are disclosed in Note 13.

27. SUBSEQUENT EVENTS

The Company has evaluated all events that occurred after December 31, 2021 through April 22, 2022 which is the date these financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Company's financial statements.

28. COVID-19

Since March 2020, there was a global outbreak of COVID-19 which has had an impact on businesses through the restrictions on travel, public gatherings, and certain business operations by the governments in the various jurisdictions where the Company conducts its activities.

The Company continues to closely monitor the global outbreak and are taking steps to mitigate potential risks to its operations by implementing its pandemic mitigation plan, which includes putting in place various processes and procedures to limit interruptions in business, as well as the spread of the virus in its workforce. To date, the pandemic has not had a significant impact to its financial position, liquidity, operations, suppliers, industry, and workforce. The Company has not received any form of government assistance.

Although the Company cannot estimate the length or gravity of the impact of COVID-19 at this time, the Company's essential services and customer continue to provide an expectation of stability. It is unknown how long the pandemic will continue and it may have an adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2022 and beyond.

The effect that the COVID-19 could have on assumptions and estimation uncertainty associated with the measurement of assets and liabilities has been considered in determining the significant estimates detailed in Note 4 "Significant Accounting Policies".